

it is an individual, let's say maybe a car dealer, there is some question as to whether they get all those automobiles listed on the 1st of January. A bank couldn't afford to be playing that game so I think the probability is much higher that it would be taxed and at actual value.

SENATOR MARESH: Thank you.

PRESIDENT: Senator Burrows.

SENATOR BURROWS: I have some questions of, Mr. Chairman, members of the body, some questions for Senator DeCamp, if he will answer.

SENATOR DeCAMP: Go ahead.

SENATOR BURROWS: When the farmer buys equipment, he gets investment credit now. If he buys a center pivot and he goes and he borrows the money from a bank, he would get the investment credit on the center pivot, correct?

SENATOR DeCAMP: He could. You mean if he buys the center pivot now? That is correct.

SENATOR BURROWS: Then he would get the investment credit. Now if we change the policy and we go to a lease arrangement and the bank buys the center pivot and leases it to the farmer, would not the bank be in the position of using the investment credit and the main point of this bill is shifting investment credit from those that are borrowing and changing that to a lease program and giving the investment credit to the bank?

SENATOR DeCAMP: I thought I covered that. You are absolutely incorrect. The investment credit would be determined in the private contract and the terms of it and that is done according to IRS rules and regs and we couldn't do anything here that would change that even slightly. It is up to them and the private contract and the terms of it.

SENATOR BURROWS: Does IRS, then, allow a bank to use that investment credit if we allow them to go into this leasing arrangement on the state bank?

SENATOR DeCAMP: There are conditions under which the bank could take the investment credit but it would have to comply with the IRS terms, the same as it is now with national banks, the same as it is with any leasing company. We are not changing that one iota.

SENATOR BURROWS: Thank you. I think that answers my question. It looks like a system, if you move to a lease system rather than loaning the money, that we are jeopardizing the investment credit for the small business man and farmer considerably. Thank you.

PRESIDENT: Senator Keyes, did you wish to be recognized again? Do you want to close, Senator DeCamp?

SENATOR DeCAMP: This bill has nothing to do with investment credit. It doesn't change any investment credit laws. It is really not a part of the discussion. I move the advancement of the bill.